

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:2728

ANSWERED ON:20.03.2002

FUNDS TO TAMIL NADU FOR AGRO RURAL INDUSTRIES DEVELOPMENT

P.D. ELANGO VAN

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether the Government have allocated additional funds to Tamil Nadu for setting up of more Agro and Rural Industries;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to develop Agro and Rural Industries in Tamil Nadu?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) & (b): The Government does not release funds directly to State Governments for setting up of Agro and Rural Industries. The Government provides funds to the Khadi and Village Industries Commission (KVIC) for the promotion and development of such industries.

(c): The Government through Khadi and Village Industries Commission (KVIC) is implementing the Rural Employment Generation Programme (REGP) throughout the country including the State of Tamil Nadu. Under this Scheme the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of weaker sections viz. SC/ST/OBC/Women/Physically Handicapped/Ex-Servicemen and Minority Community beneficiary/institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs. Under the Scheme, the beneficiary is required to contribute 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary's contribution is 5% of the project cost. This scheme is being implemented through Public Sector Banks, Regional Rural Banks and on selective basis through Cooperative Banks and Private Sector Scheduled Commercial Banks. Balance funds for the projects are provided by banks in the form of term loan.